

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 27, 1976

MEMORANDUM FOR GENERAL SCOWCROFT

FROM: The Situation Room

SUBJECT: Morning News Summary

The Washington Post

David Ottaway writes that Zulu-led migrant workers continued to rampage yesterday inside the huge African township of Soweto. By midday, the official toll in Soweto stood at 21 dead, ten of them attributed to police shootings, and 107 injured since the strike began Monday. A heated controversy continued to develop over the tactics being used by police in Soweto, and reports mounted that Zulu migrant workers had been deliberately encouraged to attack militant youths and students seeking to enforce the strike. (A-1)

Don Oberdorfer says the Ford administration is preparing to submit to Congress next week an extensive new military sales program for Saudi Arabia with a price tag as high as \$5 billion. Secretary Kissinger told a Senate committee yesterday. Kissinger indicated that the program as planned will include the sale of 1,000 Sidewinder air-to-air missiles as well as large numbers of Maverick air-to-surface missiles and cluster bombs, according to congressional sources. Kissinger said the Saudi program is scheduled to be sent to Congress on Monday. He agreed to meet today at the State Department with senators who have been critical of the size of arms sales to the Saudis. (A-1)

Prince Bernhard of the Netherlands was stripped of his jobs in the armed forces and forced to relinquish his business connections yesterday after a Dutch inquiry into the Lockheed bribery scandal found he had been "open to dishonorable requests and offers. (A-1)

Murray Marder reports that in a mini-version of the uproar at the recent Montreal Olympics over participation of teams from Taiwan and New Zealand, the State Department belatedly discovered that a Rhodesian team was playing in the women's Federation Cup matches in Philadelphia. (A-2)

Don Oberdorfer reports that three committees of Congress took different actions yesterday on three different bills on the

same topic -- U.S. nuclear exports which may contribute to the spread of atomic weapons throughout the world. There was no immediate recommendations of the Senate Foreign Relations Committee and the Joint Committee on Atomic Energy. But veteran legislators took the events as a sign of rising dissatisfaction and concern that is likely to lead in time to new laws or administrative policies. (A-3)

Secretary Kissinger indicated yesterday that the U.S. today will reply favorably, but perhaps with some variations, to North Korea's proposal to separate guard forces as a way of avoiding new incidents at Panmunjom. Kissinger gave his views at a closed meeting of the Senate Foreign Relations Committee. Kissinger said the MAC will meet again today. (A-18)

John Saar writes that American spokesmen in Seoul insist the tree-trimming was routine maintenance. There are reports, however, which cannot be confirmed that an earlier attempt to lop the tree was rebuffed by the North Koreans. If so, that would seem to suggest that prior consultation, or at least the provision of an adequate security force might have prevented the deaths. (A-18)

A Post editorial says Britain's drought is suddenly beginning to threaten consequences on a scale far beyond anything that you would normally associate with water shortages. The effect on British agricultural production so far has been only moderate. But if a lack of water now puts industry on short weeks, it will touch off another round of the gravest kind of trouble -- starting with more unemployment. Britain is now struggling to restore its economic stability by a demanding and severe strategy that leaves no margin for unexpected bad luck. A setback anywhere in this campaign immediately makes everything else more difficult to manage. (A-24)

Stephen Rosenfeld writes that the question to ask about the recent Colombo conference of "nonaligned" nations is: Are these people being fair and reasonable in their demand for a new world economic system? Can we, if we are fair and reasonable, work things out adequately with them over a period of time? Certainly the 84 nonaligned nations weakened their own economic cause by shouting through a number of one-sided political resolutions on such topics as Korea, the Mideast and Puerto Rico, and by pulling anti-"imperialist" rhetoric out of the propaganda garbage bag. But the Colombo conference did not confine itself to trouble-making. A not insubstantial spread of delegates, apparently realizing how poorly a radical posture suits the nonaligned states real needs, took steps to soften the strident political sloganeering of the red-hots. Their evident intent was to clear the air for hard economic bargaining. The nonaligned movement is really only a series

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of conferences and declarations and has no operational apparatus. It nonetheless indicates the direction in which the Third World is likely to go. The less hysterical and the more serious the poor nations become in economic dialogue, the more possible it should be for the U.S. to work things out with them. One can hope that the experience of negotiating will make their demands more realistic and more reasonable at the same time.

The New York Times

Craig Whitney reports that the strongest leader in the troubled West European community, Chancellor Schmidt of West Germany, is throwing himself into a difficult and close battle for reelection on October 3. (3)

A special to the Times notes that Denis Howell, the minister who is directing Britain's battle against a drought for which no one can find a precedent, said yesterday that the Thames River was "leaking." (3)

Michael Kaufman reports that President Amin of Uganda announced yesterday that he had released seven Africans who had been charged with attempting to assassinate him. A British businessman accused of spying was also set free. (4)

Paul Hofmann comments that Secretary Waldheim declared yesterday that recent South African proposals for leading South-West Africa to independence by the end of 1978 "fall far short" of UN requests. (5)

John Darnton notes that the Rhodesian government yesterday charged a Roman Catholic Bishop, who is the most outspoken critic of its racial policies, with having failed to report the presence of nationalist guerrillas. (6)

Henry Giniger reports that the government has denied legal entry into Spain to Santiago Carrillo, secretary of the Communists Party, and Dolores Ibarruri, the party's president, who have lived in exile since the civil war. (9)

A special to the Times notes that the long-hunted commander of the communist guerrilla movement in the Philippines was captured yesterday with nine of his aides, and President Ferdinand Marcos said that as a result the communist-led rebellion was virtually eliminated. (10)

An editorial contends that the decision by French President Giscard to name Raymond Barre as prime minister amounts to the appointment of an economist to carry out a political task.

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Professor Barre's most urgent task, according to the announcement, is to be the combatting of inflation without halting the country's recovery from its deepest recession since the 1930's. But it is also clear that his most important function will be to aid -- where his predecessor, Jacques Chirac, impeded -- Mr. Giscard in a political move to the left designed to head off a Communist-Socialist victory in the 1978 parliamentary elections. (18)

Another editorial comments that as Mr. Giscard's prime minister, Mr. Chirac made no bones about his ambition to run against him for the presidency in 1981. But his immediate objective is to rebuild Gaullist electoral strength and prevent a sharp decline in the number of Gaullist seats in the next National Assembly. The Gaullists, with 174 deputies, still hold the largest bloc of seats in the 490-member assembly. The likelihood is that Mr. Giscard and his Gaullist allies will, for the time being, prefer to compromise their differences rather than go to the polls before the economy recovers. But if the price of the coalition's survival is presidential impotence and parliamentary stalemate, a consolidated Communist-Socialist union of the left will be the chief beneficiary whenever the next parliamentary elections take place. (18)

According to Tom Wicker, South Africa's white society and its repressive government recently have been reaping what they have sown for years. Disorders have shaken the country for two months; upwards of 300 people are dead, mostly as a result of police gunfire; and in important areas of the country law and order seem to be breaking down. (19)

James Reston comments that since the Republican convention in Kansas City, President Ford has gained 13 points in the Gallup Poll and now trails Governor Carter 49 percent to 39 percent, with about 12 percent of those questioned undecided. The chances are that the polls will reflect all this activity in his favor after Labor Day when the real campaign begins. The popularity samples are usually highly volatile this early in the race so no reliable trend is likely to be established until the two men meet in debate, probably in the middle of September. (19)

The Baltimore Sun

Michael Parks writes from Jerusalem that a 20-year-old spy scandal that once brought down the government of the late David Ben-Gurion is sparking new political controversies involving top Israeli politicians. Mosche Dyan, the former defense minister who was army chief of staff during the "Lavon affair," has come under the heaviest criticism for his role in

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the launching and subsequent coverup of Israeli sabotage activities in Egypt. His political comeback could be thwarted. (A-1)

Hal Piper reports that a Soviet organization called yesterday for withdrawal of Syrian armed forces from Lebanon, further committing a reluctant Moscow to the Palestinian side against its erstwhile Syrian allies. The statement was issued by the Soviet Afro-Asian Solidarity Committee, which nominally is a private organization, but which always reflects official policy. (A-2)

An editorial states that Prince Bernhard has been one of the Netherlands' most valuable possessions since his wife, Queen Juliana, acceded to the throne in 1948. They symbolize the great national heritage and unify a population of otherwise divided on religious and political lines. In the context of this service, the Dutch can see how great was the disservice that Prince Bernhard and the Lockheed Aircraft Corporation performed through their relationship. With the report of the commission of inquiry, Prince Bernhard is a disgraced man. Intriguingly, the commission did not find the \$1.1 million that a Lockheed officer testified to Congress had been paid to a high Dutch official. Companies making pay-offs of that sort may wonder if the payments reach the supposed destinations or have the influence on sales intended. That aspect, at least is not the worry of the Dutch. It would be dreadful for them if the esteem of the monarchy and the House of Orange are now jeopardized, or the reign of Queen Juliana shortened. It is bad enough that the precarious government of Prime Minister Joop den Uyl is shaken from having to deal with scandal of constitutional dimensions. (A-14)

Mary McGrory writes that the days of wine and roses are over for Henry Kissinger. His job is safe until after the election, but the thrill is gone. After a long run as the most lionized foreign policy figure in history, he is about to have the star taken off his dressing room door. He has become just another problem cabinet officer, one of the many embarrassments Gerald R. Ford is taking into a difficult campaign. It was Mr. Reagan's gentlemanly personal decision not to mention Mr. Kissinger by name in the foreign policy plank that rejects the Kissinger foreign policy. So, in the face of anguished cries from moderate Republicans, the President decided to pretend that someone else had been responsible for the grievances detailed in the plank. His people are saying that platforms do not matter. But what happened in Kansas City says quite clearly that Mr. Kissinger does not matter, either. (A-15)